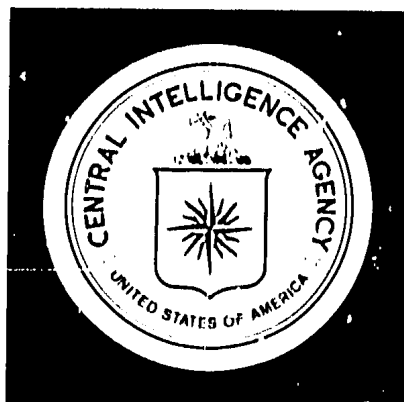


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DIRECTORATE OF
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Developments in Indochina

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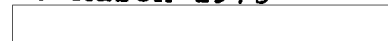


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DEVELOPMENTS IN INDOCHINA*(Information as of 1500)*Page

NORTH VIETNAM

1

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Weather and irrigation difficulties are causing problems in the spring crop. Hanoi spokesman says the North Vietnamese intend to keep Peking and Moscow at arms length.

SOUTH VIETNAM

4

There is some fighting in Quang Tri and the highlands. South Vietnamese forces report heavy infiltration across the Cambodian border into Tay Ninh and Binh Long. Saigon will release Tran Ngoc Chau to the Communists. Nguyen Luu Vien will head the South Vietnamese delegation to the political talks with the Viet Cong in Paris.

CAMBODIA

6

Lon Nol offers to discuss Vietnamese Communist troop withdrawal with Hanoi. A Mekong River convoy is shelled south of Phnom Penh. Lon Non has made an intemperate attack on Matak in the public press.

INTERNATIONAL DEVELOPMENTS

7

The Chinese are extending the road network in northwest Laos.

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LAOS

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There is no significant military action. The unsettled monetary situation is holding up signing of agreements.

NORTH VIETNAM

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Some Agricultural Problems

The North Vietnamese have apparently had some minor problems with this spring's rice crop, but it is too early to gauge the final effects on the May-June harvest. In what was probably an attempt to hedge against the possibility of food shortages caused by continued bombing, many localities planted rice immediately after last autumn's harvest. Unusually warm weather forced too-rapid initial growth, however, and the seedlings had to be replaced. Subsequently, some seedlings were also spoiled in a cold

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[redacted]

wave. Inadequate irrigation facilities and fertilizer shortages continue to limit the potential of high-yield rice varieties, although these strains will probably account for about two thirds of the spring crop again this year.

Agriculture was not badly hurt by last year's bombing. Although Hanoi has stated frequently that the filling of bomb craters in ricefields is a major task facing farmers this spring, most bombing took place in the southern panhandle, which is not a major rice-producing area. These statements also seem to reflect the government's interest in putting all available land under cultivation. [redacted]

Keeping Hanoi's Allies at Arms' Length

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Le Chan, director of the North Vietnamese press agency in Paris recently shed some light on Hanoi's rationale for its reluctance to permit the establishment of a new international authority to enforce the peace in Vietnam. [redacted]

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[redacted] although China and the USSR are Hanoi's "best allies," Hanoi prefers to exclude them from direct responsibility for enforcing the peace accord. Chan, reflecting Hanoi's elation over what it sees as its substantial rise in international prestige, stated that direct contact with the US was highly desirable and improved Hanoi's bargaining position vis-a-vis Saigon.

The press agency head also claimed that North Vietnam feared that direct Chinese and Soviet involvement in enforcing the agreement would aggravate the Sino-Soviet conflict. Chan acknowledged that the split between the two powers had already caused Hanoi difficulty and further airing of dirty linen would embarrass North Vietnam and weaken its bargaining position with the US.

Commenting on the POW issue, Chan claimed that Hanoi's decision to suspend the release of US prisoners

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[REDACTED]

on 27 February was partly a ploy to force Saigon to "respect the peace provisions." The POW problem he claimed, perhaps in a bit of hindsight, was also a useful pretext for Foreign Minister Trinh and Secretary of State Rogers to confer separately and at length during the conference. [REDACTED]

[REDACTED]

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SOUTH VIETNAMThe Military Situation

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[REDACTED]

[REDACTED] In the high-lands, there was some increase in fighting in western Pleiku Province as South Vietnamese Rangers edged closer to Duc Co.

South Vietnamese reconnaissance of the northern Tay Ninh - Binh Long Province border area shows extensive Communist use of infiltration routes and improvement of roads. Recent shellings of a government base in this region probably were to mask the movement of men and supplies into plantations used as Communist bases. Should the Communists force the evacuation of the base, the government presence along the Cambodian border would be confined to isolated strongpoints. [REDACTED]

Saigon to Release Chau

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Saigon plans to release to the Viet Cong some prominent prisoners accused of working for the Communists, but other well-known dissidents will apparently be kept in jail. According to the quasi-official Vietnam press, "reliable sources" have disclosed that former Lower House deputy Tran Ngoc Chau is among those to be turned over to the Viet Cong, but that other prisoners such as former presidential candidate Truong Dinh Dzu, radically anti-government Madame Ngo Ba Thanh, and certain militant student leaders are not included because they did not work directly for the Communists. [REDACTED]

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[REDACTED]

The government clearly regards all of these figures as potential troublemakers and does not want them to re-enter the Saigon political arena during the current cease-fire period. The proposal to give Chau to the Viet Cong, however, could arouse some controversy. Chau was an outspoken opponent of the Thieu government, but it was apparent that he held strong anti-Communist convictions. He gained considerable sympathy in opposition circles and the Western press at the time of his imprisonment in 1970. [REDACTED]

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Saigon Delegation for Talks with Viet Cong

Deputy Prime Minister Nguyen Luu Vien will head Saigon's delegation to the political talks with the Viet Cong [REDACTED]

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[REDACTED] Other members will be Progressive Nationalist Movement leader Nguyen Ngoc Huy, former foreign minister Tran Van Do, and a former minister of public works, Ngo Tronc Anh. The delegation will leave for Paris on 12 March. [REDACTED]

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CAMBODIAAn Olive Branch of Sorts

President Lon Nol plans to issue a declaration on 6 March stating the government's willingness to meet with North Vietnamese representatives in Phnom Penh or elsewhere to discuss the modalities of the withdrawal of all North Vietnamese and Viet Cong troops from Cambodia. According to the US Embassy, the government doubts that Hanoi will respond to this initiative, but hopes that its action will help convince war-weary Cambodians that everything possible is being done to restore peace.

The Military Situation

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Elements of a 12-vessel Mekong River convoy bound for Phnom Penh were shelled on 6 March by Khmer insurgent forces about 20 miles south of Phnom Penh. Preliminary reports indicate that one ammunition barge was destroyed. Elsewhere, government forces attempting to clear Route 2 between Phnom Penh and Takeo continue to encounter resistance. A coordinated ground and air assault on insurgent positions near Route 2 about 15 miles south of Phnom Penh is due to begin on 6 March.

Lon Non Rants On

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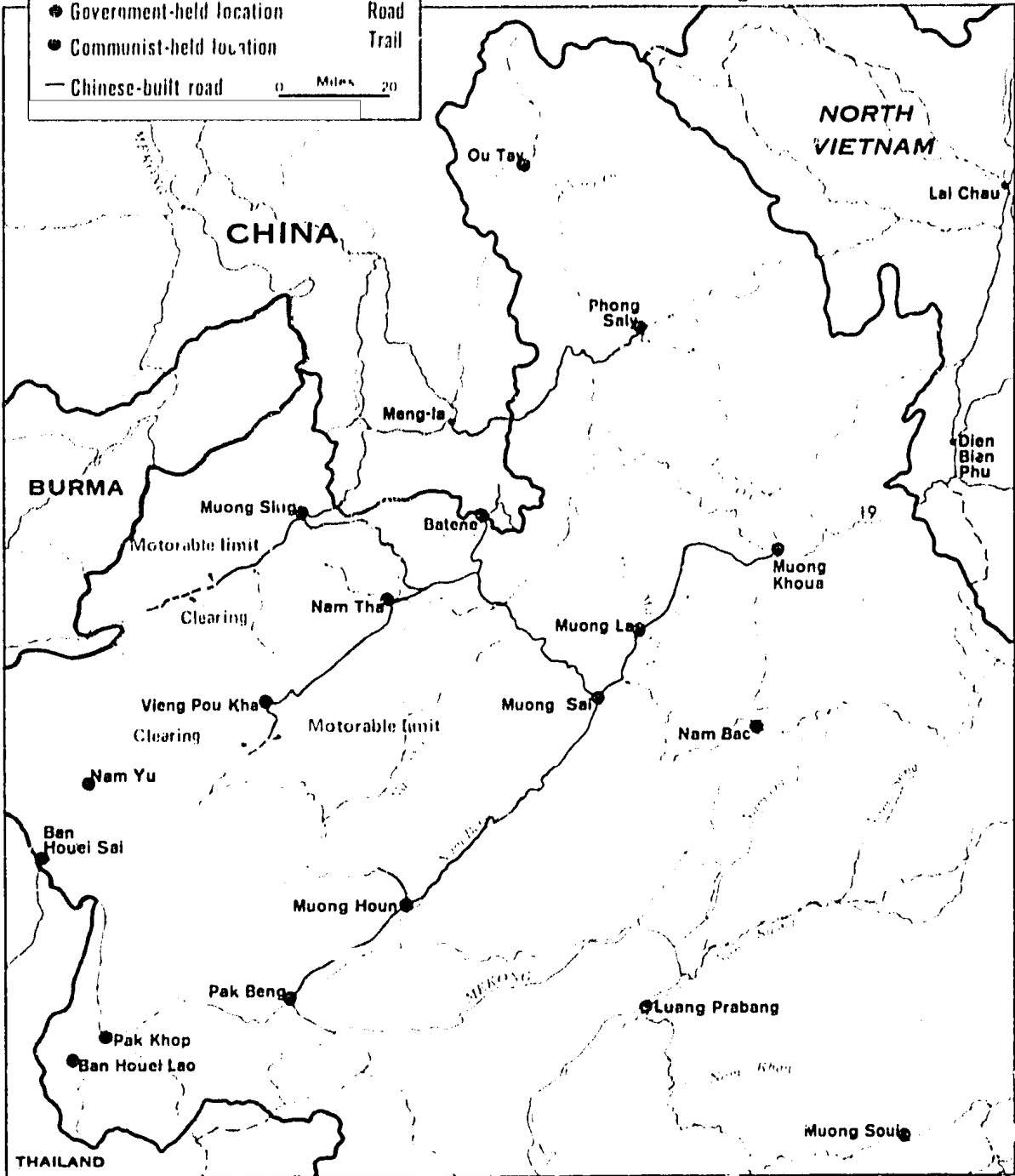
The US Embassy reports that Brigadier General Lon Non sharply attacked Republican Party leader Sirik Matak during a recent interview with a *New York Times* correspondent. The President's brother called Matak "unreliable" and accused him of maintaining his connections with Sihanouk and the monarchists. Lon Non also stated that there would be "popular demonstrations" against Matak if he is appointed vice president. The interview is Lon Non's most intemperate public attack on Matak to date.

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Chinese Roadbuilding in Northwest Laos



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INTERNATIONAL DEVELOPMENTS

Chinese Extending Roads in Northwest Laos

Chinese construction crews continue to extend two road spurs in northwest Laos.

Aerial photography [] shows a motorable road, begun late last year from Nam Tha near the China border, now extending some 45 miles to the southwest. Preliminary clearing extends farther south to within 26 miles of an existing road leading north from Ban Houei Sai, a government-held town on the Mekong River facing Thailand. At their present pace, Chinese road crews could easily connect the two roads before the onset of the rainy season in mid-May.

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Thai leaders expressed considerable concern when the Chinese pushed a road to Pak Beng, some 20 miles north of the Thai border, during mid-1972. If new construction continues toward Ban Houei Sai, Bangkok's concern over Peking's intentions will be rekindled.

Photography [] revealed the Chinese are also still working on a road leading from Muong Sing--also near the China border--toward Burma. This road follows an old logging trail and is now motorable for 19 miles southwest of Muong Sing. Preliminary clearing extends to within 11 miles of the Burma border on the Mekong. No government units are in this area and the remaining distance could be covered before the rains begin. []

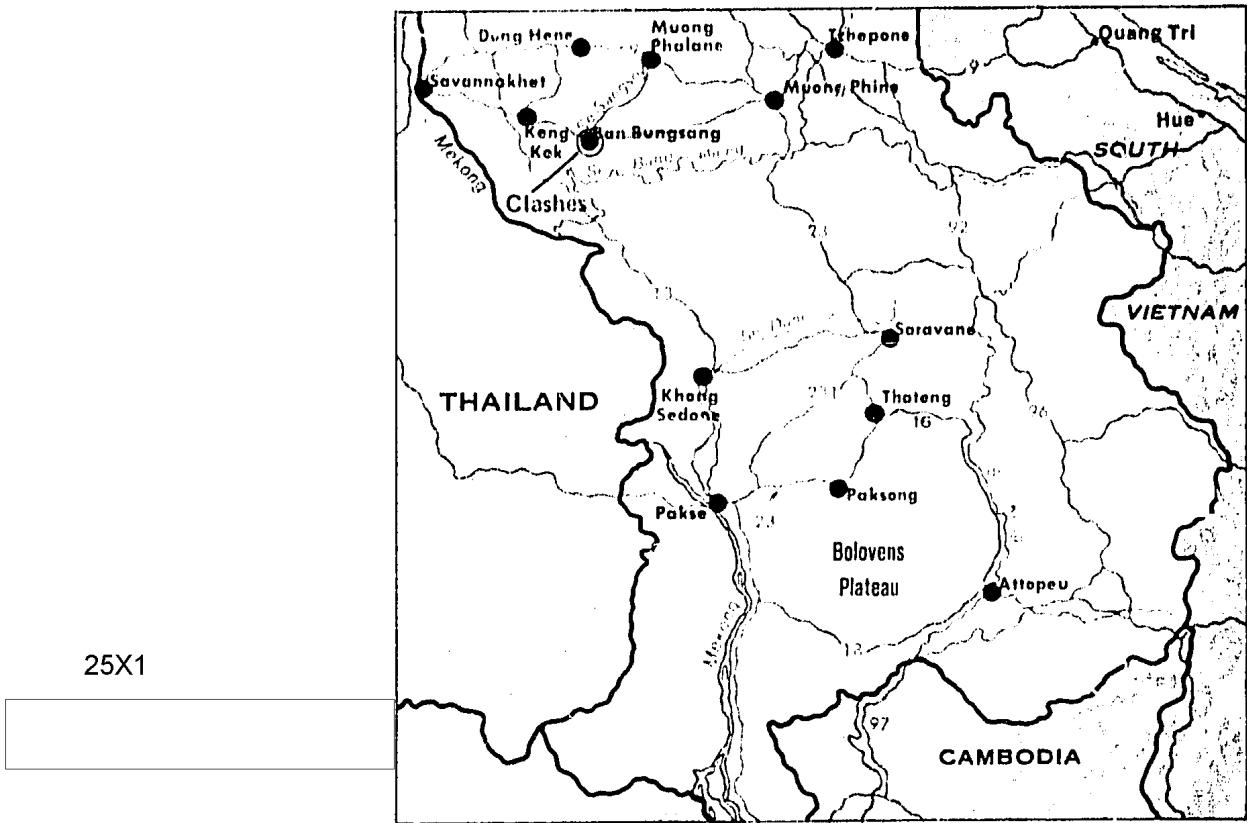
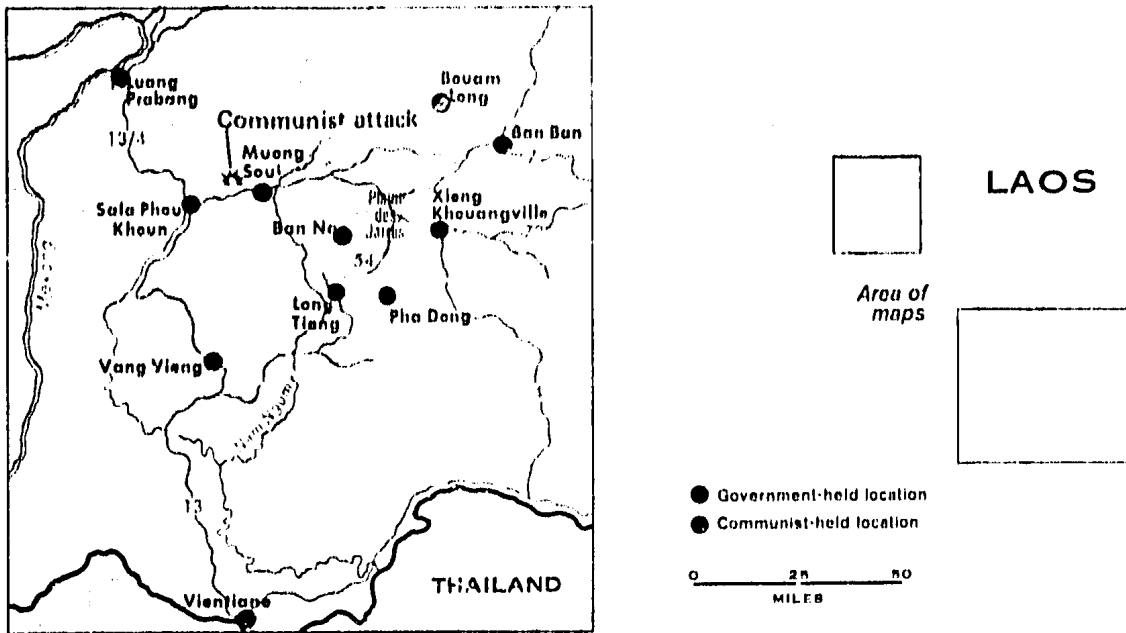
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LAOS

The most significant military action on 6 March occurred in the north, where a small enemy force carried out heavy weapons fire and a ground assault against an irregular position near Muong Soui. In the central panhandle, mixed North Vietnamese and Pathet Lao units made several minor attacks on Lao Army units near a village some ten miles east of Keng Kok. The Communists apparently hope that such harassment will eventually prompt the government troops to withdraw to the west bank of the Se Sangsoy River.

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Aid Agreements Held Up

The unsettled world monetary situation is holding up signing of this year's Foreign Exchange Operations Fund (FEOP) agreements. The \$27-million program--financed by the US, Japan, France, Australia, and the United Kingdom--supplies about half of Laos' foreign exchange requirements and absorbs much of the local currency generated by large Lao Government deficits. All contributions to the fund are defined in US dollars, and the recent dollar devaluation required a respecification of each country's contribution. In particular, the US felt that Japan's contribution should reflect the yen's significantly higher value. Tokyo's contribution is now tied up indefinitely while the Japanese Diet reassesses its total foreign exchange budget. Australia has also encountered procedural delays and the French have hinted that their signing may be delayed.

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The US, which supplies almost two thirds of the fund's resources, had hoped the agreements could be signed by early March. The fund's balances can sustain operations for several weeks, but beyond that the US would have to make an advance on its contribution. This would make the US the sole contributor for an extended period. Moreover, too long a delay risks running afoul of the political difficulties which are almost certain if the agreements are signed after the formation of Laos' new Provisional Government of National Union.

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